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Farm Broadcasters Letter

Letter No. 2295

January 15, 1987

CHINA BUYING
U.S. CORN

The outlook for U.S. corn exports to China continues to improve as commitments for the purchase of U.S. corn in 1986/87 now total nearly 750,000 tons, according to the U.S. Department of Agriculture. China last bought substantial amounts of U.S. corn in 1982/83, purchasing 2 million 200 thousand tons. China has been importing less than 500,000 tons of corn annually from all sources since 1983/84, the majority of which came from Thailand.

U.S. AGRICULTURAL
TRADE FOR NOV.

The U.S. agricultural export volume for Nov. 1986 totaled 10 million 700 thousand tons, down 15 pct. from the 12 million 600 thousand tons exported during Nov. 1985 and 558,000 tons below Oct. 1986. Agricultural export value during Nov. 1986 totaled 2 billion 510 million dollars, down \$274 million from Nov. 1985 but up \$77 million from the previous month. This is the fifth straight month export value has increased.

CUMULATIVE EXPORTS
DOWN 4 PCT.

The cumulative U.S. agricultural exports during Oct.-Nov. 1986 totaled \$4 billion 900 million, down \$182 million or 4 pct. from the same period a year earlier. Export volume during the first two months of fiscal 1987 totaled 21 million 900 thousand tons, off approximately 3 pct. from the 22 million tons exported during the first two months of fiscal 1986. The sharpest cumulative year-to-year market declines were concentrated in wheat, corn, and grain sorghum. Agricultural exports, other than grains, were up \$371 million, or 12 pct., during Oct.-Nov. 1986 over Oct.-Nov. 1985. The biggest gainers were soybeans, soybean meal, beef, pork and variety meats, poultry products, dairy products, horticultural products, cotton and seed.

FARMLAND VALUES
IN 1987

The drop in U.S. farmland values appears to be moderating, according to the U.S. Department of Agriculture, but is likely to continue in 1987. Declines are anticipated throughout the Corn Belt, Southeast, Southwest, and Pacific Northwest. The land market has some positive forces, including falling interest rates and production costs, and rising farm income due to Government payments. Some negative forces include the large number of acres for sale in relation to the demand; financial difficulties of some lenders; and uncertainty over future farm programs.

FARM INPUT - 1986-87	According to the U.S. Department of Agriculture, U.S. fertilizer use is expected to decline about 5 pct. during the 12 month July 1986/June 1987 period, following a 10-pct. drop the year before. Nitrogen use is projected at 10 million tons; phosphate at 3 million 900 thousand tons, and potash at 4 million 800 thousand tons. The application rates per acre are projected to remain the same as last year. The decline in fertilizer use is tied to expected heavy farmer participation in acreage reduction programs. Commodity programs call for acreage reductions of 20 pct. for feed grains, 35 pct. for rice, 27-½ pct. for wheat, and 25 pct. for cotton.
ABUNDANT ENERGY SUPPLIES	The world has abundant supplies of energy/and the lowest prices since 1979-80, according to the U.S. Department of Agriculture. U.S. refiners are forecast to pay close to \$16 a barrel for crude oil in 1987, up slightly from 1986. Farmers can expect plentiful supplies of petroleum products. Soft energy prices, coupled with further farm program cuts in planted acreage, will likely lead to a \$320 million reduction in farm fuel expenditures during 1987, compared with an estimated drop of \$1 billion 400 million in 1986.
REA LOAN PREPAYMENT RULES	The U.S. Department of Agriculture's Rural Electrification Administration issued a final rule to allow prepayment of loans made by the U.S. Department of Treasury's Federal Financing Bank, generally referred to as FFB. FFB loans guaranteed by REA amounting to \$2 billion would be prepaid during fiscal year 1987. In addition, borrowers must have a loan outstanding as of July 2, 1986; use private capital to replace the loan; and certify that any savings from prepayment will be either passed on to customers or used to improve the financial strength of the borrower in cases of financial hardship.
FAREWELL, BOLL WEEVIL!	The boll weevil has been driven from the Carolinas. Now growers in Georgia and Alabama have agreed in referendums to drive the pest from 275 thousand acres in their States. According to the U.S. Department of Agriculture, several actions will be taken in 1987, including spraying malathion in the fields to kill weevils. Then special traps containing weevil sex attractants will catch strays and be used to monitor the pests' movements. A long-range goal is to create a weevil-free zone through the South from the Carolinas to Texas.
CROP PRODUCTION HIGHLIGHTS	The following are highlights from the Crop Production Report of the U.S. Department of Agriculture. <u>All cotton</u> production in 1986 is forecast at 9 million 780 thousand bales, 27 pct. below the 1985 crop. <u>Citrus</u> production is forecast at 11 million 100 thousand metric tons, 13 pct. above last season. Of this amount, orange production is forecast at 7 million 600 thousand metric tons; grapefruit production at 2 million 160 thousand metric tons.
FmHA LOAN PORTFOLIO	The Farmers Home Administration farm loan portfolio totals \$29 billion 600 million, held by 274,145 farmers, as of Sept. 30, 1986, according to the U.S. Department of Agriculture. Thirty-two percent of the loans were delinquent. The dollar amount delinquent was over \$6 billion, of which 76 pct., or \$4 billion 800 million was 3 or more years overdue.

FROM OUR
TELEVISION
SERVICE

1986 REVIEW OF AGRICULTURE...1986 presented a "mixed bag" of ups and downs for farmers and the agricultural sector. USDA economist Herb Moses offers an overview of agricultural issues in 1986 and a brief outlook for 1987. DeBoria Janifer interviews. (106)

1986 REVIEW OF AGRICULTURE - II...USDA economist Herb Moses continues his review of agricultural issues in 1986, focusing on U.S. exports, farm income and the Conservation Reserve Program. DeBoria Janifer interviews. (107)

1988 AGRICULTURAL BUDGET...Stephen Dewhurst, USDA budget officer describes some of the major issues and features in the proposed 1988 agricultural budget, including price support programs, users fees and the Conservation Reserve program. Vic Powell interviews. (108)

FARM LOAN SITUATION...About one-third of Farmers Home Administration borrowers are delinquent on repayment of loans, and 75 percent of those delinquencies have been overdue more than three years. FmHA Administrator Vance Clark examines the current farm loan situation. Vic Powell interviews. (109)

FmHA PROGRAM UPDATE...Several changes are underway in programs of the Farmers Home Administration, ranging from further movement toward guaranteeing operating loans to the moratorium on sale of agency-held farmland. Vance Clark, FmHA Administrator, takes a look at these changes. Vic Powell interviews. (110)

FROM OUR RADIO
SERVICE

AGRICULTURE USA #1546...(Weekly 13½ min documentary) Getting Fit. On just about every channel, you can hear advertisements about joining a fitness gym to get in shape...and researchers say Americans are responding in record numbers. On this edition of Agriculture USA, George Holmes talks to persons teaching fitness, conducting research on fitness...and the practitioners of weight lifting.

AGRITAPE/FARM PROGRAM REPORT #1535...(Weekly reel of news features) USDA news highlights; 1986 wool and mohair incentive payment deadline; A year after; U.S. wood exports up; Farmers in debt.

CONSUMER TIME #1028...(Weekly reel of 2½-3 min features) Cuts for consumer programs; Frozen pipes?; Foods and medications; Starting an avalanche; More curbs on wood stoves and fireplaces.

USDA RADIO NEWS SERVICE...Tues, Jan. 20, Weekly crop and weather report, Catfish, Foreign ag. trade; Thurs, Jan. 22, World coffee situation; Fri, Jan. 23, Cattle & feed, livestock slaughter, world coffee situation, World food needs; Tues, Jan. 27, Weekly crop and weather. Dial the USDA National News Line 202-488-8358 or 8359. All material changed at 5 p.m. ET each working day.

OFF MIKE

We learned of some changes in the farm broadcaster world while calling around to set up two telephone press conferences with Sec'y of Agri Richard Lyng. For instance, Natalie Dowell is no longer at WJON, St. Cloud, MN. She's working with the Extension Service now. And Bill Satterfield has left WSPY, Salisbury, MD. He's the new executive assistant for the Delmarva Poultry Industry headquartered in Delaware ... We also learned that Taylor Brown (Northern AgriNet, Billings, MT) is off in Australia leading a month-long tour. He'll be back January 28. Incidentally, his co-worker Conrad Burns has been sworn in as a new county commissioner, and his first challenge, we understand, is to find the courthouse ... Ned Arthur (Rural Radio Net, New Palestine, IN) reports that two NAFB members were named winners in the Indiana Farm Safety Council's Media Award competition: His own co-worker Dan Modlin in the radio category and Jim Fleming (WTHI, Terre Haute, IN) in the television category. Our Congratulations! ... Layne Beaty (USDA Radio/TV Chief Emeritus) writes Sam Schneider died, December 31st in Fayetteville, AR. Sam was farm director at KVOO, Tulsa, OK, in the early 40's to mid 50's and was president of NAFB (then NATRFD) in 1952. Incidentally, Layne and Virginia are at their temporary address in California (1552 Camino del Mar, Apt. 610, Del Mar, CA 92014), and he reports they recently had a nice visit there with Keith and Arbie Kirkpatrick (WHO, Des Moines, IA) ... Nice note from Chuck Muller (KOA, Denver, CO). He sent along a copy of Country Life magazine, and whadayaknow, it contained his picture in a full page spread about KOA farm radio ... The latest issue of CHATS, official pub of NAFB, is a fun one to look through...grinning pictures (mostly) of the new NAFB officers and three pages containing 40 pictures from the NAFB 1986 convention. It's "Pat-on-the-back" time for editor Bob Quinn (WHO, Des Moines, IA) and Stu Ellis (WSOY, Decatur, IL) who, we understand, took most if not all the photos.

Jim Johnson
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